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London

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Z Brutus Britannicus, pseud.  
v.42 Letters on financial subjects (the greater  
portion of which appeared in the Daily telegraph")  
by Brutus Britannicus ... London, Spon, 1866.  
71 p. 21 cm.  
  
Vol. of pamphlets.

ONLY ED

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TECHNICAL MICROFORM DATA

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# LETTERS

ON

# FINANCIAL SUBJECTS.

*(The greater portion of which appeared in the "Daily Telegraph.")*

BY

BRUTUS BRITANNICUS.

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Si quid novisti rectius istis,  
Candidus imperti; si non, his utere mecum.

---

HORACE, Epis. I. vi.

LONDON:

E. & F. N. SPON, 16, BUCKLESBURY, E.C.

1866.

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1866.

## PREFACE.

THE following Letters, which chiefly appeared from time to time in the *Daily Telegraph*, were written under the stinging consciousness of palpable imperfections in our financial system.

The author has been induced to reprint them at the desire of several friends, the position of many things to which they relate being unaltered, namely, that of the Succession Duty, the Savings Bank Deficit, and the notorious Redemption of the Grafton Pension; on which the observations set forth in these Letters continue to be pertinent, and available for public use.

Such is particularly the case in regard to the Savings Bank Deficit, bordering, according to Letter No. X., of the 7th of April, 1860, upon *six* millions sterling. This huge sum certainly ought *not to be permitted to lapse into the oblivion of the Sinking Fund without proper investigation.*

In introducing the Bill now before the House of Commons for the Réduction of the National Debt, our excellent Chancellor of the Exchequer honestly acknowledged that the repayment of Savings Banks' deposits and interest is a national obligation necessarily to be provided for, and he admitted frankly that it requires three millions to square the Savings Banks' accounts, which portion of the deficit seems fairly on its road to the apprehended oblivion, and will assuredly reach that goal, unless Members of Parliament, impressed not only with the magnitude of the deficiency, but with its unconstitutional application, demand a searching inquiry into the matter, and cause it to be carefully analysed,

separating that portion which may have been thus applied for the service of the Government from that which has arisen from losses or is otherwise unaccounted for. In a word, the subject ought to be detailed in such manner as to *enable* the public to judge whether the abstractions are capable of extenuation, or demand rigorous inquiry. The importance of the investigation may perhaps only be fully estimated when the recurrence of a similar evil is apprehended; but it is the duty of the House of Commons, as guardians of the public purse, zealously to prevent such an outrage and calamity.

The reader will please to recollect that these Letters appeared at intervals; and that from the natural apathy in the Public, it becomes necessary to repeat continually any leading point in order to excite attention. By this the frequent allusions to the House of Commons as guardians of the public purse, the unconstitutional application of the Trust Funds of the Savings Banks, and the figures of the deficit in them may be excused and freed from the denunciation of tautology.

The author, free from all bias and party feeling, has endeavoured to serve the cause of justice and national prosperity alone; he has never ventured an assertion that was not justified by a conscientious belief in its truth and exactness. If his deductions be erroneous, it will afford him satisfaction to be corrected, and to improve his knowledge on matters of such importance; and to the reader he would say, in the words of Horace:

"Si quid novisti rectius istis,  
Candidus imperti; si non, his utere mecum."  
*Hor. Ep. I. vi. 67, 68.*

BRUTUS BRITANNICUS.

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## LETTERS ON FINANCIAL SUBJECTS.

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### LETTER I.

WHICH IS PREFERABLE—REFORM OR REVOLUTION ?

Sept. 13, 1850.

SIR,—The financial condition of Great Britain, notwithstanding its superabundant fiscal resources and unrivalled credit, evinces symptoms of approaching difficulty. It is not fear of deficiency that originates this apprehension, but injustice in the assessment and waste in the application of the taxes, which, unless speedily removed, will tend towards revolution !

Reiterated complaints, incessantly brought before the House of Commons, lead to no satisfactory result. Petition, remonstrance, entreaty, all are in vain. In vain did Mr. Hume spend his life in patriotic industry to effect regeneration in our depraved system. In vain does Mr. Mackinnon, from time to time, advert to injustice in the land-tax, or Mr. Williams to the no less unjust exemption from probate duty on land, or to any other subject wherein an economical tendency or any radical improvement is contemplated. No sooner are the observations of these gentlemen introduced, than

they are pooh-poohed and set aside, almost contemptuously, the members being aware that whenever such questions are brought to a division, the landed interest would always be able to obtain a majority.

A ssertion is not proof, so let me refer to the last time that Mr. Mackinnon brought forward his motion regarding the land-tax (27th May, 1857), and see if the charge can be maintained. Mark well the words of the Chancellor of the Exchequer on that occasion; in speaking of the mover of the question, he said:

"He must surely be aware that this is a well-understood subject; that it has been repeatedly under the consideration of the House and of its committees; and that the anomalies and inequalities of the present tax are fully admitted by all persons who have given their attention to the subject; but that the difficulty of remedying them arises, not from the perpetuity of the land-tax, which it has in common with many other taxes, but from the system of redemption introduced by Mr. Pitt."

The subject is almost too serious to be jocosely treated; but really one cannot refrain from thinking that the above words had the following tendency; just as if he had said, in a reprimanding tone, as follows:

"You must know, Sir, that, by the conventionality of the House, it has been agreed this subject should not be treated like an ordinary matter. You are aware that one of the latent reasons why Mr. Pitt introduced the Redemption Act was to prevent or render extremely difficult any future alterations in the land-tax, so as to secure to the holders of estates the continuance of the law as it then stood, and, indeed, now stands, which it

was feared would be interrupted. It is uncourteous on your part, Sir, having this knowledge, to interfere in such a matter. I therefore pray you not to press the motion, but let it drop; for you know it is a well-understood subject, and has been repeatedly before the House."

However, turning from what the words were supposed to imply to those actually uttered, there is in the latter an admission by one of the Ministers of the Crown of the existence of palpable injustice, designated by him in the "more comfortable" terms of anomalies and inequalities, urging as an excuse for not attempting to remedy them that a portion of the tax had been redeemed by Mr. Pitt's system; and subsequently, in continuation of his speech, with admirably virtuous feelings, he deprecated the idea of committing any act of injustice towards those parties who had redeemed the tax at a higher rate by reducing the tax as at present levied!

Absurd contradiction—straining at a gnat and swallowing a camel! The monstrous injustice is to remain untouched, because, perhaps, a remote and trifling one may be committed!

Strange to say, Mr. Mackinnon in his motion did not speak of a reduction of the tax; he moved for the appointment of a select committee to consider "The expediency of a more equitable adjustment of the land-tax; also a further redemption (not a reduction) of the same; also whether, by any other means, the land tax might be made more beneficial to the revenue of the country and the reduction of the National Debt."



The inference from this, well known to the Chancellor, was an increase in the land-tax, not a reduction of it. Such inference was evident in his subsequent observations, when he said, "I suppose the honourable gentleman means to bring forward a proposal for a considerable increase of taxation, which would, in fact, amount to the imposition of an additional income-tax." "Not long ago, with, I believe, the general approbation of the country, we removed what was called the 'war ninepence.' I believe what my honourable friend wishes is to restore some portion of that ninepence." ("Hear, hear," and a laugh, echoed throughout the House.)

This observation had the appearance of an artful move, to divert the attention of the House from an unpleasant subject; from the imposition of a land-tax, which would have been popular with the masses, for one quite hateful to them, which had just been repealed. This sophistry, arguing on one thing and speaking of another, succeeded; but, in order completely to rout his adversary, he added, that at the late period of the session it was doubtful whether fifteen gentlemen could be found to sit on a land-tax committee; "and if they could," said he, recurring to the successful artifice, "it would be merely delegating to them a plan for an additional income-tax." (Hear, hear.)

The motion of Mr. Mackinnon was consequently withdrawn, and that gentleman, on retiring, gave notice to the Chancellor of the Exchequer that, unless the subject was taken up by the Government, he would again bring it under the consideration of the House next year. ("Hear, hear," and a laugh.)

Is this a proper manner to treat an application of the people for redress from an acknowledged injustice? Certainly not. It is quite clear that any plan for equalising the land-tax must involve a new assessment according to its present value, and it is the fear of being obliged to abandon the unjust exemption that land now enjoys that excites such determined opposition. They are not deterred from moving in this matter by any feeling of injustice towards those who had redeemed the tax, but from a fear of the augmentation which they know would be certain to follow on any alteration in the law. Hence their great desire to leave things as they are. Let us now see what was said upon Mr. Williams's motion (May 18, 1858) about probate duty on land, &c., whether he was treated any better.

The arguments, or rather observations, on the subject were of the usual character. Mr. Gladstone, however, admitted "that the Government, when he was in the Administration, considered that the probate duty required reform." He said, "that he had found it a difficult thing to pass the Succession Duty Bill through the House, and he did not envy any Minister whose duty it might be to give effect to the wishes of the hon. member for Lambeth." ("Hear, hear," and a laugh.)

The Chancellor of the Exchequer (Mr. Disraeli) made the frank admission "that the alleged injustice of placing a probate duty on personal and not on landed property had been often discussed, and the House was fully aware of the difference that exists between the two." The whole of the pretexts on which this injustice was to be maintained were so weak that, without exception,

they might all be put aside. Take, for instance, one of them, viz. "that land ought not to have a probate duty, because it would compel sales of the property, which, being thrown in the market, would be 'forced sales,' consequently ruinous to the proprietors!" Pray, has not landed property the same difficulty? Is not the Stock Market equally as sensitive in this respect as that for land? Again, "that the difficulty of producing equality in taxation was very great—in short, no more possible than to obtain equality in mental or bodily strength." With due submission to this gentleman, the comparison cannot be admitted. Certainly it may be difficult accurately to predict the incidence of a tax; it may not always answer the intentions of the proposer; nevertheless, unless interfered with by interested and powerful parties, the alterations necessary to produce equality in taxation would assuredly soon suggest themselves. The difficulty is in the opposition it receives, not in the nature of the tax itself.

Mr Henley afterwards indulged in the worn-out cuckoo note about the stamp on conveyance of real property, to which personalty was not subjected. "This," said he, "in the case of 30,000*l.*, would bring to the Exchequer a very handsome sum." This observation was, of course, honoured with the usual cries of "Hear, hear."

What is this handsome sum upon 30,000*l.*? One half per cent., or 150*l.*!

Against this, what is the probate duty on 30,000*l.*? 450*l.* And what the administration duty? 675*l.* Average, 562*l.* 10*s.* So 150*l.* very rarely paid (for the sale of land is not frequent) is to be placed against 562*l.* 10*s.*

certain once to be paid in a man's life, perhaps every twenty years, the average term of changing hands in property. And bear this too in mind, when the largest proportion of personal property is subject to many stamps, viz.: Corporate stocks, trusts, bills, railway shares, deeds, life, fire, and marine policies, &c.

Surely the cheers must have been ironically given, when Mr. Henley alluded to this impost.

The result of the debate was, as might have been expected, a rejection of the measure, the votes being:

For the motion . . . . .	68
Against it . . . . .	172
Together . . . . .	240

Here we discover and confirm the futility of endeavouring to operate upon the House of Commons by argument and reasoning. Injustice is admitted by Ministers of the Crown, yet they will not—they dare not—come forward to remove it. For why? The reason is obvious: because the majority of the parties interested is too strong to permit any alteration to be made.

I am, Sir, yours, &c.

BRUTUS BRITANNICUS.

## LETTER II.

## THE PENSION OF THE DUKE OF GRAFTON.

*Multum te etiam oculi et aures non sentientem speculabuntur atque custodient.*

Oct. 6, 1850.

SR.—The pension of the Duke of Grafton, among many others, for years had been viewed by the public as an unwarrantable and profligate injustice to the nation. Often and long since has it been considered a proper object to be abolished. Aristocratic influence was, however, sufficiently strong to prevent that act of justice. Nevertheless, the apprehension that even the advance of financial reform, tardy as it is, might possibly bring this monstrous abstraction of public money too prominently forward, suggested to those concerned the expediency of effecting some means of securing so large a booty; and the devouring party, with a cunning aptitude peculiar to itself, conceived the idea of removing it from public view by speciously adopting the method of redemption already in several cases successfully practised.

This was done by what is termed “a Treasury minute,” no Act of Parliament being passed for this express object. In the report on the subject, published subsequently by the House of Commons, this is stated to have been effected by an equivalent in ready money, based on the principle of  $26\frac{945}{1000}$  years’ purchase, that being stated to be the rate at which Earl

Cowper’s pension was redeemed in 1853. Thus, the Duke of Grafton received on the 22nd June, 1856, 193,777*l*. 13*s*. 2*d*., in liquidation of this falsely denominated claim upon the revenue.

Now, from Parliamentary papers, we find that the average price at which Consols have been created between the years 1849 and 1858, amounting to 23,948,745*l*. 19*s*. 2*d*. stock, at an annual cost of 1,083,773*l*. 5*s*. 9*d*., would be 82 $\frac{1}{2}$ , so that to acquire 193,777*l*. 13*s*. 2*d*. money there must have been created 233,820*l*. Consols, although not specifically for the object in question. This stock would yield 7014*l*. 12*s*. per annum.

The operation, therefore, as far as regards the Government, is simply this: it ceases to pay 7191*l*. 12*s*. pension, and has to pay on the stock from which the redemption money was obtained a dividend of 7014*l*. 12*s*., the saving being 177*l*. per annum, which has thus been abandoned by the Duke, who, doubtless, is well satisfied with his bargain; for he thereby avoids the annoyance of being daily denounced as a public robber, and removes every apprehension of future Parliamentary interference with this nefarious, this truly immoral grant. He has, at the same time, absolute command of the entire capital.

But, even now, we have not got rid of the Duke of Grafton; this is not the only pension enjoyed by that nobleman; for there is another, namely, 3384*l*. on the Post-office revenues, which remains unredeemed. If not too late, it is to be hoped such redemption may be prevented from being discharged in so surreptitious a

manner. The latter pension was granted in 1673 to Lady Castlemaine, one of Charles the Second's mistress.

These two pensions—viz., 719*l.* 12*s.* on the Excise and 3384*l.* on the Post-office—form 10,575*l.* 12*s.* per annum; which sum has been paid for 183 years to the Dukes of Grafton, as a legitimate claim upon the country.

Now, had there been no illegitimate son of Charles created Duke of Grafton, and had such pensions, enjoyed by the latter and his successors, been yearly retained, and employed at compound interest at 4 per cent. for the benefit of the nation, they would, in 183 years, have amounted to the almost incredible amount of nearly 350,000,000*l.*

These figures startle us. They are, however, incontrovertibly true. Hear, then, ye who pay the taxes, how the public money is diverted from its proper object—the national advantage. A descendant of the illegitimate offspring of a very profligate monarch has consumed—ay, and still continues to do so, for one portion of it is fixed for ever—a sum sufficient to have nearly discharged half of our National Debt!

This subject cannot be left without adverting to the illegality in which such redemptions as that referred to are effected. In the first place, supposing the claim to be just, the redemption price is far too high. Secondly, it has been paid in a manner not in accordance with the law, viz., by abstracting it from moneys before they reach the general public treasury, by which means it

has passed almost unperceived by the superficial observer.

We are often told by the upholders of the present state of things, that not a penny of the public money can be taken without the authority of our representatives in Parliament. On this we too foolishly have relied; but where, let me ask, is the general consent of Parliament for the payment of the 193,777*l.* 13*s.* 2*d.* to the Duke of Grafton on the 22nd June, 1856? I wish to be corrected, if I be in error, and to learn if such an Act does exist. It will, indeed, relieve my mind much on this reprehensible proceeding. This inquiry is well worthy of the consideration of the public; and I most energetically beg to direct their attention to it, not only on account of what has already transpired, but for what may still thus nefariously be imposed on the public.

I am, Sir, yours, &c.,

BRUTUS BRITANNICUS.

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### LETTER III.

#### THE DUKE OF GRAFTON'S PENSION.

Oct. 7, 1859.

SIR,—I was much pleased to read the elaborate exposition supplied to your columns of the 6th instant by "Brutus Britannicus," as to the pensions to, and the payments received by, the Dukes of Grafton during the 183 years that the country has been robbed by the profligate Charles II., the "Merry Monarch," as wits

and fools have been pleased to designate that sovereign; and I hope that thousands of the tax-paying people will retain your paper of that day, in order to refer thereto upon the fitting occasion, for assuredly such occasion must soon come, if the people really have a Parliament of representatives. But pleased as I was on the 6th, I was much more gratified on the 7th, by your leader on this monstrous imposition; and it is to be hoped that the two papers will be kept by all who desire to see corruption swept away.

I cannot hope to equal the propriety and strength of your remarks on behalf of the tax-ground people contributing to this Duke Henry Fitzroy; but this I will say, in addition, that I sincerely trust some really independent Member of Parliament will raise the question suggested, as to the legality of "Treasury Minutes;" and also as to grants of money in perpetuity to any one prospectively, or as heretofore granted by mere kingly profligacy. Some of the prayers of the profligate king, interded to be perpetual, have been got rid of; why not, then, his profligate money grants? Our Constitution denies to the Crown any power to tax the people, and renders the Crown itself subject in the Privy Purse and all supplies to annual grants. What foundation, then, for any grants in perpetuity?

I say with you, that "to talk of a claim of a vested interest is simple nonsense;" and it really is wonderful that the nation has so long submitted to such spoliation. In these days of increased taxation, when the people are casting about in every direction for remission of duties, and "financial reform," can it be longer endured to pay this flagitious dole of the offspring of adultery? The remonstrative petitions of the people ought to carpet the floor of the House against the robberies perpetrated by the decomposed king; and the Financial Reform Association, both as financiers and moralists, ought to open their campaign by an onslaught against this oppressive incubus in manifold shapes.

But, sir, the names of Barbara Villiers and Lady

Castlemaine bring others of their phalanx of "magnificent prostitution" to remembrance—the Sir Peter Lely bevy at Hampton Court. However admirable the art of the painter, are the subjects of his art such personages as, however beautiful, ought to hang for admiration in a Royal palace of our lady, wife, mother, and Queen, to stimulate the rising population of both sexes, and teach them to inquire into circumstances of shameful profligacy? Does either royalty or morality gain by the meretricious exhibition? Is a good example therein set to our Royal princes advancing towards manhood? Do we want more of such progeny—Fitzclarences, and so forth? If portraits of such wantons are not alone tolerated, but cherished and preserved—nay, even held up for admiration—why have we not Perdita Robinson, and the countless mistresses of the Georges—one, two, three, and four? Were not many of them as beautiful as the Charles's women?

It is time that the "moral influences," or the financial ones, of this profligate king, should be looked into and corrected, and I hope *The Daily Telegraph* will continue to call attention thereto.

OLIVER CROMWELL'S GHOST.

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[A letter to which B. B. replied.]

#### LETTER IV.

##### THE DUKE OF GRAFTON'S PENSION.

Oct. 14, 1859.

SIR,—On the 6th inst. I addressed a letter to you on the scandalous pension of the Duke of Grafton; and on the 7th your columns exhibited a very interesting leader on the subject. On the 8th your correspondent,

"Oliver Cromwell's Ghost," approving of both, "trusted that some really independent Member of Parliament would raise the question as to the legality of Treasury Minutes."

Although your able leader and your said correspondent made very judicious remarks on the matter, the principal object in my letter seems, in both cases, to be disregarded by them. I therefore request permission to refer to the words I used in the final paragraph of my letter: "We are often told by the upholders of the present system that not a penny of the public money can be taken without the authority of Parliament. On this we have too foolishly relied; but where, let me ask, is the general consent of Parliament to the payment of the 193,777*l.* 13*s.* 2*d.* to the Duke of Grafton on the 22nd of June, 1856?"

Allow me to say, Mr. Editor, that, in my opinion, the gravamen of this matter is the thorough contempt of Parliamentary control over this abominable pension, in rendering it perpetual, by its improper redemption; thus placing it entirely out of the reach of any future interference.

In common matters of business, if any party obtain property to which he is not entitled, the Court of Chancery can pursue him, and cause booty improperly obtained to be surrendered. Why cannot the nation act as plaintiff in this case? Why cannot we cause it to be returned? I therefore most forcibly repeat the question,—Is there or is there not an Act of Parliament sanctioning the payment of this large sum of money? This is the point to which I would direct attention.

The immense payments incurred by this immoral grant, although so many millions, are nothing compared with the important principle that this view of the question involves.

Who is there so base persistently to approve of such proceedings? "If any, speak, for him have I offended."  
"I pause for a reply—"

I am, Sir, yours, &c.,

BRUTUS BRITANNICUS.

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## LETTER V.

### THE DUKE OF GRAFTON'S PENSION.

November 2, 1859.

SIR,—During the last fifty years there have been presented to our nominal representatives in Parliament multitudes of petitions against the financial mal-administration of the country, expressing universal condemnation of countless palpable abuses. How have they been received—how answered? In supercilious contempt.

With the exception of the Corn Law repeal, removing an iniquitous exaction, scarcely anything has been done for the people. The Succession Duty Act may, perhaps, be alluded to by the dominant party as a boon in favour of popular reclamation; yet this is so replete with gross unfairness to personal property that it is almost nugatory for its professed object. Hence arises a problem, how a system so partial and unjust can have maintained itself against such general reprehension. Why, let me ask,

have the complainants hitherto been so unsuccessful in their appeals? It is because, in many cases, those charged with bringing them forward have not been always honest in their demands; they have asked too much, or have not been actuated by truth and justice; thus allowing themselves to be diverted from their proper object by the astuteness of their opponents.

We must, therefore, adopt a new and better method, making our case so irrefutable as to defy our enemies to assert the least thing in extenuation.

And can anything be more palpable than the case which I have recently brought to public notice, the redemption of the Duke of Grafton's pension on the Excise in 1856, by which there has been abstracted from the public moneys no less a sum than 193,777*l.* 13*s.* 2*d.*, without the special authority of an Act of Parliament?

Behold, therefore, our case for the present. Let us "do one thing at a time, and keep on doing." We may now bid defiance to sophistry, to falsehood, and impudence, for the charge can neither be evaded nor denied.

This large sum was paid as an equivalent for a pension of 719*l.* 12*s.* on the Excise duties to a descendant of the illegitimate offspring of a licentious monarch, for no service whatever. The money received by the family for 133 years, in regard to this and other pensions, would, with interest, amount to nearly half the National Debt.

Such pensions ought long since to have been abolished; but by this reprehensible redemption, unless there be some patriotism in the House of Commons, this pension, or rather its equivalent, will be entailed on the nation for ever.

The following is the authority upon which this money has been withdrawn from the Excise duties, before they reached the general public account:

"Treasury Minute, January 22, 1856.

"Acquaint the Commissioners of the Inland Revenue, that my Lords authorise the purchase of the Duke of Grafton's annuity chargeable on the Excise revenue for the sum of 193,777*l.* 13*s.* 2*d.*, and that they sanction the payment of that sum out of the Excise revenue in completion of the purchase.

"Request that they will inform this Board when the payment shall have been completed, in order to enable their Lordships to give credit to the Excise revenue for the amount appropriated to this purchase in the public accounts of revenue and expenditure for the year."

But who signed this order, or who gave it, is not stated in the report. There may be prudence, perhaps, in not publishing names to such a document.

Recollect, fellow-taxpayers, that the House of Commons is the reputed guardian of the public purse; and that we are pompously told, "not a penny can be taken from the public resources without its sanction." This, therefore, is the paramount question for us to propose: Where is the Act of Parliament by which this order was authorised? If there be no such Act, the Constitution is violated!

It may also be interesting to be acquainted with the copy of the letter which precedes this Treasury minute, which I give *in extenso*, lest I may be charged with culpable reticence in the matter. Here it is, signatures and all:

"To the Lords Commissioners of her Majesty's Treasury.

"May it please your Lordships,

"We beg leave to represent, that, in pursuance of instructions received by the solicitor of this department, by letter of the 21st August last from Mr. Reynolds, the solicitor to your Lordships' Board, the necessary arrangements have been made, under the authority of the Treasury minute of the 13th May, 1853, for purchasing the net pension of 7191*l.* 12*s.* per annum, payable to the Duke of Grafton out of this revenue, at a valuation of 26 years' purchase and 945 parts of a year.

"The title to the pension has been fully investigated and established, and the power of the present duke to alienate it in the manner proposed has been confirmed by the opinion of the Attorney and Solicitor-General.

"In order to complete the purchases, therefore, we have now to request that your Lordships will favour us with the necessary authority for paying the purchase-money agreed upon, amounting to 193,777*l.* 13*s.* 2*d.*

"We are, &c.,

(Signed)

"JOHN WOOD,

"C. J. HERRIES,

"HENRY ROBERTS.

"Inland Revenue, January 21, 1856."

Are these documents, then, sufficient to satisfy the taxpayers of this country? If the claim of the Duke of Grafton were just, the price is much too high. The Parliamentary return, after the payment had been effected, states, "That the principle on which such redemption money was calculated, was at 26,  $\frac{945}{1000}$  parts of a year's

purchase, that rate being that at which Earl Cowper's pension charged on the Excise revenue was purchased in 1853."

Now, in 1853, the price of Consols was above par, while in 1856, when this bargain was made, it was not above 93, being a difference of 7 per cent. against the country, or nearly 14,000*l.* So that there are two questions in this case for the consideration of every member of Parliament: first, whether the redemption money has been legally paid; secondly, whether, supposing its exceedingly doubtful legality to be proved, the price has been fairly estimated.

There have been other pensions redeemed, which, not being exactly in the same category, their consideration is reserved for some future occasion. At present we have only to deal with that of the Duke of Grafton, formerly in the Excise.

Fellow-countrymen, I exhort every one not to let this opportunity escape; and recommend each constituent understanding the subject to confer with his representative upon it.

Thus the matter is fairly brought to the knowledge of the people; it now remains with them to determine whether they will assert that right which has been transmitted to them by their patriotic ancestors, of having a control over the public expenditure of the country; and whether they are not in honour bound to transmit it, unsullied, to their posterity.—Yours, &c.,

BRUTUS BRITANNICUS.



## LETTER VI.

MR. BRIGHT AND THE "TIMES."

November 26, 1859.

SIR,—I once knew a man whose moral character was not of the first quality, who was in the habit of saying that he did not care how many lies people told of him, for he could rebut them; but what he disliked most was to hear the truth. It is exactly in like manner that the party antagonistic to any important change in the present fiscal system is so truly sensitive whenever the least mention is made of a desire to substitute direct for indirect taxation. Thus, the *Times*—which may be considered the organ of such party—lays hold with particular virulence on a portion of Mr. Bright's recent speech: "There is something essentially mean and singularly cruel in the way in which the taxation of this country has been and still is levied."

The *Times* considers these words as tending to subvert all government. "They were intended," says this journal, "to persuade the workmen of England that the House of Commons is engaged in an organised system of plundering the poor for the ease of the rich." They were therefore pronounced by that journal to be "a more mischievous untruth than was ever uttered by a public man in a free country!" Assertion is not proof; and before the *Times* applied that mendacious character to Mr. Bright it would have done better to prove him worthy of it. For my own part, although only one of Mr. Bright's "ignorant followers," as the *Times* desig-

nates us, I can see nothing in his words but what is fully to be justified; for is it not mean and cruel to perpetuate the collection of taxes in their present form, the bulk of which, notwithstanding the contrary is asserted by the *Times*, is paid by the lower orders? Is it not mean and cruel to place stamp duties in a higher proportion on small amounts of personal property in probates and administrations than on those of larger consideration? Is it not mean, excessively mean, to avoid probate duty altogether on real estate? Is it not mean, under pretence of fairly equalising taxes on property, to affix succession duty on real estate, which, in fact, is not much more than a third part of that borne by personalty? Is it not truly mean and cruel to take from the artisan or clerk of 200*l.* per annum the same rate of income-tax as upon the income of the titled nobleman in possession of 100,000*l.* per annum? Finally, is it not mean and cruel to abstract from the working man receiving 20*s.* per week, 4*s.* by taxes and their consequents, while the aristocracy, for land-tax, in many cases pay perhaps not a farthing in the pound—and that, moreover, while the law is still unrepealed whereby they ought to pay 4*s.* in the pound? Mark the words above—"still unrepealed." If the direction of your attention to these things be properly placed, and such imperfections can be substantiated, truly Mr. Bright's observations are not what the *Times* has described them to be, "a most mischievous untruth."

They are, I am sorry to say, incontrovertibly established. The thunders of the *Times* may be well received by those who are in the enjoyment of these unfair

preferences in taxation; but, be assured, the "ignorant followers" of Mr. Bright are not the noodles this journal would have its readers imagine. They have begun already to think for themselves; they are not to be led by the nose, as so many readers of the leading journal are. They are capable of forming an opinion of their own; and until the *Times* can show that those "mean and cruel" practices just referred to in the present taxation do not exist, it ought in justice to withdraw its false assertion upon Mr. Bright's remarks. As to the observation of the *Times*, in the same article, that the richest son of Mammon "cannot eat a larger loaf or a weightier lump of beef than the poorest London starving, and that what the rich man cannot consume himself is consumed by his dependants, his servants, and followers"—I have the Upper Ten Thousand in my eye, and am naturally led to inquire how many servants they may be supposed to keep? How many shall I say? Five, ten, twenty, fifty each, perhaps—for I would not be below the mark. Well, say fifty each. Fifty times ten thousand is, unluckily for the *Times*, only 500,000, so that the rich keep half a million of followers, which, by the reasoning of that journal, is considered equivalent to the twenty-six millions who supply the larger portion of the taxes raised. Truly this mode of reasoning is too contemptible for a journal that arrogates to itself that it leads the people. Be assured the "ignorant followers" of Mr. Bright well know at what rate this argument ought to be estimated.

I am, Sir, yours, &c.,

BRUTUS BRITANNICUS.

## LETTER VII.

### DEFICIT IN FUNDS OF THE SAVINGS BANKS.

March 5, 1860.

SIR,—There is a bill of great importance before the House of Commons regarding savings banks worthy of the talent and acute perception of Mr. Gladstone, with whom, in conjunction with Messrs. Massey and Laing, it has originated. Its object is to place the funds belonging to depositors in better keeping than hitherto. No doubt the Chancellor of the Exchequer fully comprehends the contingencies of their possible misapplication under the existing system. They are held publicly in trust for certain parties, which trust ought to be as sacredly kept as by private individuals. A breach of it in either amounts to delinquency, which, unless under very peculiar circumstances, cannot be extenuated.

The purpose of the Chancellor is excellent; his main object, however, is to take care of the future; as for the past, it seems probable, unless reprehensive observations on the subject emanate strongly from the public, that the large deficit to which I am about to allude will glide imperceptibly and without any investigation into the oblivion of the sinking fund.

The bill recites, that the amount of

deposits up to November 20, 1859,	£	s.	d.
was . . . . .	41,180,832	10	1

While the assets, valued as beneath, are only . . . . .	£	s.	d.
	37,634,065	13	5
The deficit being . . . . .	3,546,766	16	8
The valuation of these assets is as follows :			
£12,679,467 6 6 Consols at 94½	11,982,096	0	0
26,062,925 12 5 Reduced and 3 per Cent., at 95	24,759,778	0	0
31,900 0 0 2½ per Cent., at 79 . . . . .	25,201	0	0
<hr/>			
£38,774,292 18 11	36,767,075	0	0
Exchequer Bills . £2,500 0 0			
Cash £823,420 14 0			
Ditto 18,569 19 0			
<hr/>			
841,990 13 5			
<hr/>			
	866,990 13 5		
<hr/>			
	37,634,065 13 5		

It is further stated, that during 42 years of the existence of these banks there has been paid to depositors for interest . . . 32,970,129 14 11

While the dividends on the stocks purchased for them amounted only to . . . . . 29,535,871 12 7

The difference being . . . 3,434,258 2 4  
This following immediately after the deficit in assets . . . 3,546,766 16 8  
seems placed rather sophistically, so that at a glance it may be in-

ferred that it was occasioned by the overpayment of interest  
above stated—viz. . . . . 3,434,258 2 4

And that the difference between

the two sums . . . . . 112,397 14 4  
may represent the casual expenses attendant on the various banks. Hence, perhaps, to a superficial observer, the whole of the deposits would seem to be satisfactorily accounted for, which upon minute examination will be found by no means to be so. To me it seems evident that there is something wrong.

I will now endeavour to show upon what grounds I have formed that conclusion; but being unable to obtain the necessary information on the following points, which certainly ought not to be hidden from the public, I cannot speak on the subject with positive accuracy.

Such information consists:

1. In the dates when the funds were placed in the hands of the Government by the banks.

2. When have any been returned to the banks?

3. The prices and dates when the stocks may have been purchased or sold, and when the orders for such changes were given.

4. The dates on which there was any alteration in the rates of interest paid to the banks by the Government.

Taking the average prices of the funds, I find that, during the period from 1818 to 1859, 90 per cent. may be assumed approximatively for the whole. Assuming this, in comparison with the valuation prices, there should be a profit on the stocks on hand (viz. 38,774,000L.)

of 1 841,765*l*.—that is to say,  $4\frac{3}{4}$  per cent., augmenting the deficit to at least  $5\frac{1}{4}$  millions.

It is generally believed that the money was not invested at the proper time, but used by the different Governments for the service of the State. If so, it must be confessed to be a proceeding unbecoming in an upright Government, and very probably to have taken place without proper authority of Parliament. This, in private affairs, would certainly be characterised as a breach of trust. But, being done by such irresponsible parties, it is, I suppose, merely to be considered as a national misfortune, proving, nevertheless, the wisdom and expediency of the bill now pending; and, under such circumstances, the least that can be expected to be done in the interest of the public is to show that no part of this appalling deficit has been dishonestly misapplied. For it must not be forgotten, with the experience of so many antecedents of improper conduct before our eyes, that in these immense figures, ranging, too, over so many years, there may have existed delinquencies; on the mere possibility of which neither prudence nor justice would permit the account to be passed without minute investigation. The small expense occasioned by this would be well employed, and certainly not grudged by the nation. For the public, although extremely careless in such matters, are not so indifferent towards them as to be contented with the spirit of the well-known lines of Shakspeare:

"He that is robbed, not wanting what is stolen,  
Let him not know it, and he's not robbed at all."

This brings to my recollection that there is such a thing as a "put and call of stock," which will be well under-

stood by persons connected with the Stock Exchange, whereby immense sums by elastic consciences may have been abstracted, although without any apparent deficit in the matter. To examine such an account properly, it is necessary to have some party well acquainted with the nature of using to the prejudice of the Government so nefarious an instrument.

This inquiry would be particularly necessary if the funds have been used by the Government in the manner described; that is to say, without the positive sanction of Parliament.

Such seems to be necessarily the case, for there could not be otherwise any loss by excess of interest paid to the depositors. As far as the banks are concerned, there has always been a margin allowed in the rate paid to the public, sufficient to provide for such contingency.

Whether there be anything wrong or not in Government account, it is my firm opinion that it would be highly satisfactory to the public to know that it has been thoroughly examined. I say thoroughly, for if the investigation be made after the course of ordinary audits in railways and elsewhere, it might as well be left undone.

By the introduction of this Bill the public will be much indebted to Mr. Gladstone for future security in such matters; and if he institute an effective inquiry into the deficit in question, he will create an additional obligation, for which the public at large will certainly ever feel most grateful.

I am, Sir, yours, &c.,

BRUTUS BRITANNICUS.

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## LETTER VIII.

## SAVINGS BANKS.

March 13, 1860.

SIR,—If your correspondent, "Brutus Britannicus," whose letter appears in your impression of Wednesday last, will take into consideration the fact that it is when money is "easy," and the funds are high, that deposits are most largely made in savings banks, and that it is in periods of stringency in the money market, when the funds are depressed, that deposits are most extensively withdrawn, he will have no difficulty in arriving at the conclusion that savings banks have been a source of serious loss to Government.

I was assured by a manager of a large London bank, that during one of the panics that prevailed a few years since in the money market, deposits were withdrawn from his bank for nearly 100,000*l.* in excess of the sums deposited during the same period. To meet this and similar demands from other savings banks, Government must have sold stock at or about 90 per cent., which it had purchased at nearly 100.

The same principle has been in operation since the establishment of savings banks, although seldom, if ever, to the same degree; but whether the losses it has occasioned will entirely account for the alleged deficiency of 3,500,000*l.*, I do not venture to say.

I am, Sir, yours, &c.,

CIVIS.

## LETTER IX.

## DEFICIT IN THE SAVINGS BANKS FUNDS.

March 14, 1860.

SIR,—I thank your correspondent "Civis" for his remark drawing attention to the fact that, when money is easy and the funds high, deposits are most largely made in savings banks; and, on the contrary, when the funds are low and the money market depressed, they are most extensively withdrawn—by which a large loss to the Government may be supposed to have been created.

This contingency has been duly considered by me; and in taking 90 per cent. for the average price for purchases, as I have done in my letter, the loss referred to would not exist; for, if stock had been bought at 101, and sold at 90, such 11 per cent. difference would merge into and be covered by the average taken. So that the question of loss alluded to in my letter of the 7th inst. is not in any way affected by your correspondent's remarks.

I am, Sir, yours, &c.,

BRUTUS BRITANNICUS.

## LETTER X.

## THE SAVINGS BANKS DEFICIT.

April 7, 1860.

SIR,—Since writing the letter which appeared in your paper of the 7th ult., I have had an opportunity of perusing the report of the Select Committee of the House of Commons on savings banks in 1858. The information from that source has diminished much of my surprise at the enormous deficit, though it has not tranquillised my mind as to the cause of it. I beg, therefore, through your widely-circulating columns, to renew the subject, supported by the additional information I have obtained.

There appears, according to the Bill, a deficit of 3,442,587. 2s. 4d., not including the amount of profit which ought to exist from purchases at lower prices than those employed in the valuation of the present assets, nor the balance in excess of assets in 1829, being 451,801. 1s. 8d. (see return, p. 107, 1830.) With these, the deficit may be estimated at nearly 6,000,000.

A superficial examination of the prices and the rates of interest paid to the depositors does not permit the existence of such a loss to be imagined upon regular principles. For, if the funds which from time to time came into possession of the Commissioners had been forthwith invested, leaving only in their hands a sufficient balance for current expenses, no such loss could have happened.

As there is no question respecting the responsibility of the Government for the amount due to the depositors, it may perhaps be said that this loss is of no consequence, seeing that the State, in all probability, has had the use of the bulk of the money, and consequently should bear the loss such an advantage entailed. A deficit of this magnitude, however, ought by no means to *lapse into the oblivion of the sinking fund without investigation*.

This is not the only question arising out of the matter. There is another of more importance, which is, that there appears to have been considerable laxity both in the proceedings and in rendering the accounts, and therefore does not prudence demand, for the satisfaction of the public, that it be shown that neither directly nor indirectly any sinister misapplication of the funds has taken place?

Moreover, as the application of such funds, even for the service of the State, is assuredly considered by many to be both unconstitutional and irregular, is not that idea a valid reason why, during such transactions, which, from their nature, were kept out of view, an additional supervision should have been employed towards the parties charged with the business?

Such an allusion is made without knowing even who the parties are, so it cannot be regarded as personal. The supposition is merely forced into consideration by the existence of so appalling a deficit. That there has been a laxity in the accounts, seems admitted by the interrogatory before the Select Committee in 1858 (No. 4160), where the reply of Sir A. Spearman, in reference to some Exchequer Bills which were not

funded, is, "My belief is clearly this, that these bills, in considerable sums, were, for some reason or other, held over." Ought not that reason to be made public? If they were allowed to be held over for three or six months, might not others be held over altogether? This is of more importance than in stock, Exchequer Bills being payable to bearer, consequently convertible, without the usual traces attending stock transactions.

The answer here given certainly supports the idea of irregularity in the transactions.

Further, by Nos. 4161 and 4163, it is acknowledged that the House of Commons had no information as to the details of what took place with the savings banks money until the return moved for by Mr. Goulburn. This indicates very great irregularity in the accounts.

By No. 4162 it is stated that the transactions, involving nearly 46,000,000*l.* of stock and 40,000,000*l.* of Exchequer bills, were carried on without the required annual returns to Parliament as of late years. Here we have a renewed acknowledgment not only of irregularity in the accounts, but also the admission that, up to a certain period, the accounts, according to the notion of the commissioners, had not been rendered in so satisfactory a manner as they afterwards were.

These facts admitted, how, let it be asked, could any examination of prices and particulars be properly investigated, which, to be effective, ought to be done forthwith?

By No. 398, it appears, in clause 25, 3 William IV., c. 14, that there should be a quorum of three commissioners to act in such matters.

And by No. 400, which is: "Do you suppose that any single commissioner, be he the Chancellor of the Exchequer or not, has power under the Act to buy and sell Exchequer bills, or exchange them at his pleasure?" To which the following reply is given: "The only answer that I am able to make is, that every Chancellor of the Exchequer has exercised that authority, as the leading member of the Commission for the Reduction of the National Debt."

Again, in 401: "But you do not give any opinion as to whether he had any such power under the two clauses of the Act." The reply is: "That is a question on which I should ask that a legal opinion may be taken. I state the practice; I am here to state the practice."

By Nos. 427 and 430, it appears that the verbal orders for purchases and sales of stock given by the Chancellor of the Exchequer, who is seen almost daily by the Comptroller, are the authority upon which the latter acts, followed up by a written order for such sales or purchases, which, it may be supposed, is sent afterwards, when the sales or purchases have been effected, and when the exact amount of stock bought or sold is known—a sort of necessary *ex post facto* document, to hold the Comptroller harmless in the affair, which, no doubt, will bear a date suited to the transactions. As for the dates, from the circumstances under which the verbal orders were given, it is very likely no record has been kept.

Again, in 433 and 435, which is of the greatest importance, it appears that these immense transactions

are left to the discretion of the Comptroller for execution

Will such a fact be believed? It is regretted, nevertheless, from the evidence before the committee, that it is likely to be true. Listen, ye confiding public! The nation has to rely upon the judgment and integrity of a single individual, and that, too, where millions of stock are concerned!

In 377, 381, 382, 383, the answers to these interrogatories completely repudiate in the mind of the Comptroller the necessity of a quorum of three commissioners to act in these matters. The law, 58 Geo. IV., c. 66, regarding the quorum, is completely set aside by the practice of the National Debt Office (see Nos. 433 and 435).

Again, in 4163, although we have seen in the evidence before the committee that the Chancellor of the Exchequer gave verbal orders for the sale and purchase of stock, &c., we find that "the whole of these transactions were unknown to the Legislature, and consequently to him, the Chancellor of the Exchequer, until he moved for the returns and laid them on the table of the House of Commons." The Chancellor of the Exchequer, who although, from No. 400, may be supposed to have given the orders, thus appeared not to have been sufficiently acquainted with the matter, and very properly moved for such returns.

In the foregoing remarks it has been shown:

1. That an immense loss has been created on a large banking concern, for such these savings banks deposits

may be denominated, whilst almost every other public or private bank has realised large profits.

2. That there has been irregularity in the transactions (see 4160).

3. That there has been also irregularity in the accounts (see 4161 and 4163).

4. That there is an admission of this by the commissioners themselves in 4162.

5. That the law requiring a quorum of three commissioners has been set aside (400).

6. That the inference to be drawn from the Chancellor of the Exchequer calling for the return alluded to is, that the whole affair nominally under him was in reality solely in the hands of the officials, without any immediate supervision or examination. A rigid examination of the whole account ought therefore to be demanded.

There is no wish to impugn the integrity of the officials; all that is wanted is to prove that they have done their duty, which doubtless they will be but too happy to make apparent.

Being disinterested in this affair, except so far as it affects the general welfare of the country, I feel myself bound not to leave without remark to so hazardous a supervision a question regarding millions of the public money. In order to speak in a positive manner on the subject, it is necessary to have access to the particulars of dates of all orders for purchases or sales of stock or bills; also those on which such operations have been effected.



As far as regards stock and bills, it is equally necessary to see that the interest on both has been duly brought to account; likewise, a due regard must be had to the premiums on Exchequer bills bought and sold.

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As I may in all probability have to refer to this subject again, and not wishing to engross too much of your space,

I remain, Sir, yours, &c.,

BRUTUS BRITANNICUS.

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## LETTER XI.

### THE LARGE DEFICIT IN THE SAVINGS BANKS FUND.

February 21, 1861.

SIR,—The papers now teem with exclamations upon the recently discovered fraud of about 70,000*l.* on the Commercial Bank. The exploits of Robson, Redpath, Pillinger, and Durden, the hero of this defalcation, flit before us with fearful rapidity. The amount of these several robberies is really enormous—approaching a million sterling. How great, therefore, is the necessity for everyone concerned in banking matters to investigate as rigidly as possible the accounts of the respective establishments with which he may be connected. Individually, so far as each is concerned, this is comparatively of little import; but viewed as a public duty, and as an example to the Government itself, it would really be

very salutary. In all probability, however, such recommendation will be received, like many others, with perfect indifference. Why? For this simple reason, that “because what is everybody’s duty is nobody’s.” Everyone shifts the trouble upon his neighbour. And, really, at such apathy we cannot wonder, seeing that we have before our eyes, in the national savings banks, a deficiency of enormous magnitude—several millions—still insufficiently investigated or accounted for. In fact, it appears to be almost forgotten; yet every one of us is still responsible for this immense deficit, and, should want of confidence at any time spread so far as to create a simultaneous withdrawal of the deposits from the savings banks, we shall assuredly be called upon in Parliament to make up the amount. Such a contingency is happily, at this moment, not likely to occur, for the imprudent confidence of the public is unbounded. How wrong, however, is it on the part of the public to leave a matter of such moment unsolved, when the same means, by which positive robberies may have been perpetrated, perhaps, remain in the hands of individuals who possibly at this moment may be exulting in the impunity which seems to exist in the matter; nay, who may even be contemptuously smiling at the gullibility of the British people!

The easy, thoughtless, over-confiding public little think of the harm they inflict on themselves and on the general cause in supinely permitting the veil of ministerial derelictions to shield possible frauds in the affair. To the discerning eye of any one fully acquainted with the routine of jobbery, many hundreds of thousands

may have been abstracted in the long period to which the account of this deficiency extends, and that effected so craftily that no trace of the delinquency may remain on the public records, unless revealed by the scrutinising search of proper investigation.

To prove that such a scrutiny is necessary, it may be well to advert to the circumstance, that during the time when Pullinger's frauds were in the mouth of every one, the directors of the Commercial Bank appointed a committee of their body to examine the accounts of this very Durden, and that committee pronounced them to be all in order! Had there been capable parties appointed for such investigation, it is needless to say that the then existing defalcations must inevitably have been discovered. May not the huge volume of the committee of the House of Commons reporting the investigation of the savings bank be of similar value? Some things are mentioned in that document sufficient to make the hair of a commercial man stand on end; yet this report passed in the House without any result.

It is, therefore, the duty of everyone to use his utmost exertions in influencing his representative in Parliament not to permit this gigantic deficiency to remain any longer without a rigid inquiry being instituted. The cost would be nothing compared with the result. Should a satisfactory explanation be given, it would alleviate very grave apprehensions in the public mind. For Heaven's sake, in the interest of future operations, if we have lost our money let us not be debarred from knowing whether we have been cajoled out of it or not. Let it also be remembered that, not-

withstanding the delinquencies of the wholesale robbers above-named, their banks have paid good dividends, have had fine profits; why, then, should our National Savings Bank be so widely different in its results? This certainly ought to be an additional reason why a proper and searching inquiry should be made on the subject.

Yours, &c.,

BRUTUS BRITANNICUS.

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## LETTER XII.

### THE SAVINGS BANK DEFICIT.

March 11, 1861.

SIR,—The question of establishing post-office savings banks is before the House of Commons. It therefore cannot be out of place, before expressing approval of such an introduction, however judicious it may seem, to glance at the national savings banks in reference to the result of their operations. The position of the latter, as far as the public is informed, truly presents anything but a favourable appearance.

A statement about twelve months since emanated from the Government, showing that the amount due to depositors in the banks up to 30th November, 1859, was 41,180,832*l.* 10*s.* 1*d.*, and that the funds invested by them at that period amounted to no more than 37,634,065*l.* 13*s.* 5*d.*, the deficit being 3,546,776*l.* 16*s.* 8*d.* Apparently to account for this, there appeared simul-

taneously another statement, informing the public that the amount of interest paid to depositors, from the commencement of these banks until the 20th November, 1859, was 32,970,129*l.* 14*s.* 11*d.*, while the amount of dividends from invested securities received during the same period by the commissioners was only 29,535,871*l.* 12*s.* 7*d.*, the difference more paid than received being 3,434,258*l.* 2*s.* 4*d.*

To admit as a cause of the deficiency such over-payments of interest to depositors beyond the dividends received on funds invested, is wrong, however plausible it may appear superficially. In the first place, these figures do not accord with the report of the committee on savings banks in 1858, for we find in that document (page 334, No. 4), a return for a similar object up to 1857, whereby the said excess of payment amounts only to 2,774,049*l.*; so that, if these accounts be both correct, there must have been paid in the years 1858 and 1859 no less than 660,209*l.*, a sum so enormously beyond what had been for many years previously paid, that it justifies the assumption that there must be a mistake in one or other of these accounts. It consequently calls for explanation. In the second place, if we refer to the parliamentary return, 1830 (page 107), concerning the state of these banks in 1829, we find that there was a profit or surplus of securities in the preceding twelve years estimated at 451,801*l.* 1*s.* 8*d.*; yet this was at a period when the rate of interest paid to the depositors was at the highest, viz. 4*l.* 11*s.* 3*d.* per cent. This clearly indicates that such overpayment of interest cannot be the sole cause of the deficit in question. On account of the then price of

stocks, the interest was subsequently altered from 1828 to 1844 to 3*l.* 16*s.* 0*½d.* per cent., and from that date to 1859 to 3*½* per cent. Neither could these moderate rates of interest give rise to such an enormous deficiency.

I am, therefore, compelled to seek some other cause. We must consequently refuse to believe that there can be a loss in the business of these banks, especially as we have been told that they have been conducted with supposed ability, zeal, and integrity. We naturally, therefore, inquire what other assets there may be not comprised in the statement referred to; and we shall, according to general surmise, very likely find (if we may have the information) that the Government itself may be debtor to the banks in a very large sum, on which perhaps interest has not been regularly allowed, but which is nevertheless due to the savings banks.

Without entering upon the question of right or wrong in such contingency, it is generally supposed that preceding Governments, ostensibly for the public service, have appropriated large sums from the funds of these banks. This would be decidedly unconstitutional.

Surely, then, the assets ought to be increased by such sums, seeing that the nation, beyond dispute, is bound to make them good. What sums they are I have yet to discover; and it is particularly on account of the supposed illegal or unconstitutional manner in which the commissioners may therein be thought to have acted in diverting trust-money from its legitimate position, that the utmost publicity should be given to their operations, and a rigorous examination of the whole account from the beginning instituted, or at least, from the year 1829.

The public, responsible for every deficiency, has certainly a right to expect and demand such an account, so that it may be clearly seen that the said funds have, at any rate, been duly applied to the service of the State, and nothing lost *in transitu*.

I, therefore, most respectfully suggest, before anything is done in regard to the new post-office savings banks, that it would be serviceable to the cause for some member of the House of Commons to propose one or more of the following questions, or something analogous, to the Chancellor of the Exchequer, than whom no one is more capable of comprehending the intricate difficulties and requirements in the matter, although, like the public, his superior intelligence is often restrained by existing circumstances, viz.:

1. Whether the statement issued by the Government, showing the deposits of the savings bank up to Nov. 30, 1856, to be 41,180,832*l.* 10*s.* 1*d.*, and the amount of funds invested and cash, together valued at 37,634,065*l.* 13*s.* 5*d.*, is to be considered a final report upon the condition of the said banks up to that date.

2. In face of these figures, presenting a deficit of 3,546,766*l.* 16*s.* 8*d.*, whether there have not been large sums withdrawn from the savings banks by preceding Ministers of the Crown, ostensibly for the public service; and if so, to request a return of the same, specifying the dates when so withdrawn, and how they have been applied.

3. Which account is correct of the amounts said to be paid more for interest to the depositors than received from dividends on invested stock; that in the report of

the committee on savings banks, 1858, which states the amount up to 1857 to be 2,774,049*l.*; or that in the statement alluded to, whereby the amount up to the 20th November, 1859, is said to be 3,434,258*l.* 2*s.* 4*d.*? If both are correct, there must have been paid for the same purpose in the two subsequent years, viz. 1858 and 1859, 660,209*l.*, a sum which appears almost incredible; and to ask an explanation of it.

4. If there be any other accounts of these banks made public, besides the particulars in the report of the committee on savings banks in 1858? that being insufficient for the public to establish a proper examination.

Upon the answers to such inquiries a basis may perhaps be established to judge of the position of this important subject, at present enveloped in an obscurity really a reproach to a liberal and enlightened Ministry. The grave apprehensions which float in the public mind on this matter, on account of so many recent defalcations, may thereby be greatly alleviated.

I am, Sir, yours, &c.,

BRUTUS BRITANNICUS.

## LETTER XIII.

## THE SAVINGS BANK DEFICIT.

March 12, 1861.

SIR,—I beg to annex a statement issued under the auspices of the Glasgow Savings Bank in March, 1860, which may throw some little light upon the inquiries made by your correspondent, "Brutus Britannicus."

I am, Sir, yours, &c.,

LEUMAS.

Statement showing that the Government are not sustaining the large "Losses" that are alleged by paying the present rate of interest, viz., 3*l.* 5*s.*

The "dividends received" by the Government on their investments for savings banks have for many years been inadequate to the payment of the interest due to the banks in consequence of the existence of large deficiencies in these investments. These deficiencies were caused partly by Government interfering with the investments for State purposes, but chiefly by Parliament allowing high rates of interest to depositors prior to 1844, without providing therefor. From 1817 to 1828 the rate was 4*l.* 11*s.* 3*d.*, and from 1828 to 1844 the rate was 3*l.* 16*s.*; and the resulting deficiency from this cause alone amounted, at 20th of November, 1844, to 2,179,930*l.* At 20th November, 1859, it had increased, by the addition of interest thereon, to 2,961,486*l.*

If the deficiency caused prior to 1844 had been made good in that year, and if the entire funds of the banks had been invested (even at the high prices which have ruled since that date), the dividends received would have been nearly sufficient to pay the reduced rate of interest then fixed, viz., 3*l.* 5*s.* Government have sus-

tained little or no loss by paying that rate. This is proved by the following Table, compiled from data furnished by parliamentary returns (Report, 1858, No. 441, pages 328 and 35):

Year ending 20th Nov.	Total amount due to Savings Banks.	Average rates yielded by Three per Cent.	Interest on Dividends, which amount due to the Banks at the present rates, had it been invested.	Interest actually credited to the Banks at the present allowed, viz., 3 <i>l.</i> 5 <i>s.</i>	Gain to the Government by interest.	Loss to the Government by interest.
	£	£ s. d.	£	£	£	£
1844	29,653,180	..	..	..	..	..
1845	30,950,983	3 0 4	911,095	971,282	..	60,187
1846	31,851,238	3 3 5	992,506	999,685	..	7,179
1847	30,236,632	3 6 8	1,031,464	1,002,362	29,102	..
1848	28,233,032	3 11 9	1,045,212	922,909	122,303	..
1849	28,699,550	3 6 2	938,451	905,654	32,797	..
1850	29,129,205	3 2 7	901,649	919,301	..	17,652
1851	30,445,568	3 1 11	919,071	953,005	..	33,934
1852	31,912,413	3 0 6	940,139	995,438	..	55,299
1853	33,510,771	3 0 7	987,859	1,035,959	..	48,100
1854	33,909,302	3 5 1	1,093,726	1,078,106	15,620	..
1855	34,410,694	3 5 10	1,121,141	1,091,226	29,915	..
1856	35,119,585	3 4 5	1,116,506	1,109,502	7,004	..
1857	35,255,722	3 5 3	1,144,734	1,134,161	10,573	..
1858	36,391,407	3 2 3	1,111,895	1,129,846	..	17,951
1859	39,179,078	3 3 3	1,191,795	1,210,475	..	18,680
			15,447,243	15,458,911	247,314	258,982

These facts show that since 1844 the Government have had the use of savings bank money at little more than its market value during the period,—that value, as indicated by consols, having been 15,447,243*l.*, while the interest actually credited to the banks has been 15,458,911*l.*, showing a loss of only 11,668*l.* on the

\* Interest is calculated only on the average amount held by the Commissioners throughout each year, deducting 100,000*l.* as a working balance, uninvested.

whole: fifteen years, or an average of 777*l.* each year. Surely this is not too high a price to pay for the important benefits which 600 savings banks are conferring on the country.

#### LETTER XIV.

##### THE FINANCIAL ADMINISTRATION OF THE COUNTRY.

March 25, 1861.

SIR,—No state, in ancient or modern history, throughout the wide world, can be said to have possessed so much liberty as that enjoyed in this country, our persons and property being decidedly secure against every act of unlawful violence. We have the Habeas Corpus Act; we are freed from apprehensions of Star Chamber inquiries; we possess courts of law, with independent juries presided over by judges whose irremovable position, intelligence, and integrity bid defiance to the charge of venality; and, finally, we have a Sovereign, the purest of monarchs, whose heart, fully appreciating the universal loyalty of her people, ever goes with them—in sentiment at least—as far as the Constitution will permit.

We therefore thank Providence; we gratefully congratulate ourselves upon the possession of such decided immunities. Nevertheless, we have not perfect liberty, for there is a concomitant evil, of which we deeply and justly complain. We are not secured against that violence which is legal. This presents itself sometimes

insidiously, under the guise of parliamentary forms; at others, without even compliance with them, wrenching away our hard earnings, and scattering them with unsparing profligacy to the winds; withal, contemptuously smiling at any remonstrance, and even insultingly taunting us with having acquiesced in such proceedings through the inertness of our parliamentary representatives, the conventionally acknowledged guardians of the public purse! This we have so long heard, and in our supineness have so often permitted to pass without refutation, that at length we appear to have really assented to that mischievous proposition. We have not, however, assented; and it is now time to speak out with sincerity and respect, in order to remove so great, so injurious a slander upon ourselves, and to correct, if possible, the pressing evils arising from it. The position of our financial administration in many matters is radically so bad, that everyone professing to have any concern for the general welfare cannot but be ready to denounce it as a slur on the age.

We are told by a great writer that “appearances justify suspicion, and when the safety of the nation is at stake, suspicion is a just ground for inquiry.”

It is therefore the duty of everyone to throw aside apathy and make that inquiry.

Notwithstanding the legion of instances of improper management in almost every department, it is difficult, having regard to space in this letter, to select the few prominent cases necessary to support the charge against the existing system, viz., that, although every measure

is supposed to have the sanction of the law, in reality it does not possess it.

I will, in the first place, allude to the case of the deplorable redemption of the Grafton pensions, which in my former letters has been rigidly examined and deprecated. The amount thus withdrawn from the public is 304,358*l.* 18*s.* 9*d.*, which, being paid only upon "Treasury minutes," may fairly be considered as having been done without the special authority of Parliament, and, what is worse, should even these minutes be considered a valid authority, the price at which the redemption was effected has been unfairly estimated and contrary to precedent. Is it to be believed that, if the question of the payment of this large sum for the perpetuation independently of Parliament, of such an immoral pension, had been openly and specially solicited in the House of Commons, would ever have been permitted?

I advert, secondly, to the deficit in the savings bank funds. This subject, which I have likewise reviewed in several letters, is equally a source of still greater complaint; for there is, in this case, not only a breach of the law on the part of trustees in diverting funds from their proper position, but an infraction of the Constitution by the Government, in obtaining and applying money without the sanction of the Commons of the people. The gravamen of the matter is that the public, naturally more anxious than usual for correct accounts, by reason of so many recent defalcations in public banks and companies, have yet to be informed what the actual deficit is.

The document emanating from the Government in 1860 states that	£	s.	d.
the deposits amount to . . .	41,180,832	10	1
And the funds invested, valued at that time at 94½ and 95 . . .	37,634,065	13	5

The difference being . . .	3,546,766	16	8
Placed beside this there is another statement, that the payments of interest to depositors amounted to . . . . .	32,970,129	14	11
While the dividends on the funds invested received by the savings banks amounted to . . . .	29,535,871	12	1

The difference being . . . £3,434,258 2 4

The approximation of these amounts seems calculated to mislead the public into the idea that the over-payment of the interest to depositors is the sole cause of the deficit in assets, which I have shown could not be the case; for these banks were profitable during the first twelve years of their establishment, and there was, according to the Parliamentary return (p. 107, 1830), an excess of capital beyond deposits, in 1829, amounting to 451,801*l.* 1*s.* 8*d.* Such profit ought surely to be accounted for, as much as if the amount had been received as a deposit.

According to rough calculations, it may be assumed that there ought to be at least six or seven millions more in the possession of the commissioners of these banks than appears from the above statement. If such

be the case, is it according to the Constitution that sums like these should be silently withdrawn and applied without the public being made acquainted with the exact figures, or without a rigid examination of the whole affair?

Until such particulars are made known, the public, who pay, have a right to consider this as a deviation from the law of the land, and that their representatives hold the strings of the public purse rather carelessly.

Lastly, I allude to another sore affair, now before us, showing the system in its true colours, in reference to accounts of the Metropolitan Board of Works rendered to Parliament, which have been carefully and very ably dissected by Mr. Richard Dover, of Baker-street: It is here shown that in the account

for 1854, page 7, there is the sum of £10,194 17 10  
And for 1855, page 11, there is the

sum of . . . . .	13,589 5 11
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both of which sums are stated to be unaccounted for! Are all these circumstances in accordance with Parliamentary law? Are they proper administration? Is it justice to the payers of taxes? Is it consonant with the light and intelligence of the present day? Let the supporters of the existing system defend, if they can, this all-devouring Polyphemus—

*Monstrum horrendum, informe iugens, cui lumen ademptum.*

For my part, I cannot view it otherwise than as the legal violence of which I have above complained, and from which, to render our liberty perfect, we desire and have a right to expect protection.—Yours, &c.,

BRUTUS BRITANNICUS.

## LETTER XV.

WILLIAM PITT.

Oct. 25, 1864.

SIR,—Among the many thousands of persons passing through the City every day, how very few are aware that in a narrow street near the Mansion House exists the statue of perhaps the greatest man of his time, who, to his distinguished honour, while yet in the service of his country, died a pauper! This work of art traces faithfully the form and countenance of the celebrated William Pitt. It was the result of a voluntary public subscription from his admirers. When completed, like the Vicar of Wakefield's family picture, a difficulty arose as to the proper site, and, after some protracted consideration, it gained admission within the portals of the National Debt Office, in the Old Jewry, where it may now be seen. The amount of the subscriptions surpassed that required for its construction, and it is said that there still remains a considerable sum, the produce of which is annually employed to preserve and keep up this monument to his memory; though, as the statue is of bronze, and protected by the roof of the building, it is not easy to imagine how any expense for such object can be incurred beyond the occasional use of a broom in removing the dust, which time naturally may collect upon it. Those who have neither seen nor heard of the statue would be repaid for the trouble of



visiting the Old Jewry, in beholding the effigy of this wonderful man, so remarkable for his calm and persuasive eloquence, his extraordinary financial talent, and especially for his undeniable integrity—the latter qualification being fully confirmed by the fact of his having held the highest offices of the State for more than twenty years, and dying insolvent. The country not only deservedly honoured him with a public funeral, but granted 40,000*l.* to pay his debts.

Pitt was identified with the Tory party, and in taking him up as a type, it would have been well for the country if his successors and followers, instead of eulogising and imitating the facile and lavish expenditure in his administration, had paid more attention to the example of his perfect integrity. As far as recollection serves, insolvency in officials of the Crown, extolling and professing Pitt's principles, is very rare, whether in ministers or in the upper class of subordinates in departments of State. Such being the case, honour is due to his memory; and although we disapprove of the immense cost of his administration, we cannot refrain from admiring his talents and honesty. In spite of the obscurity of the spot on which the statue is placed, it may be considered as happily chosen; for certainly, above all things in the Department of the Commissioners of the National Debt, the qualities of talent and integrity are essentially necessary. If, still regarding the statue, we could imagine the honest man himself alive, and watching the crawling process of the redemption of the debt, it is to be feared that he would not approve of many things passing in that office;

certainly he would not be reconciled to the sale of life annuities, according to the published table, at rates very much below their real value; he would not be very easy at the unaccountable and unsettled balance of six or seven millions in the savings bank moneys, to which reference is made in my letters in your columns of the 11th and 25th March, 1861; nor would his upright mind be brought to approve, as far as the public is concerned, of the general obscurity of affairs in this department.

Thus this effigy may be a perpetual monitor to the Commissioners. "*Dum tacet clamat*;" and the words pronounced over Pitt's coffin, in Westminster Abbey, by the public herald, "*Non sibi sed patriæ vixit*," ought never to be forgotten by those entrusted with the management of the sinking fund of the National Debt. His example may be disregarded; it will be safer for us to look rather to the living for assistance; and our eyes are instinctively directed to our intelligent and upright Chancellor of the Exchequer, in the certain expectation that when he has an opportunity this slough of despond, this Augean stable, will be cleared of its follies and impurities.

I am, Sir, yours, &c.,

BRUTUS BRITANNICUS.

## LETTER XVI.

## GOLD WORSHIP.

March 17, 1866.

"Abuchadnezzar the king made an image of gold . . . and all the people fell down and worshipped it . . . . Some said . . . we will not worship the golden image."

S. R.—Such an image has been before us ever since the Bank Act of 1844. The mass bowed down before it, only a few repudiated Baal. The latter, forced by bitter experience, have so increased in number that really it has now become a general question whether the image ought to be worshipped or not.

The interests of commerce, the very soul of our national greatness, induce almost every one to reflect upon the deplorable panics arising from this gold worship by which we are periodically assailed. One thing is certain—they always originate in the contraction of issues of notes, consequent from the apprehension of losing our idol.

Where there is a comparatively stationary amount of currency in circulation, no such trouble exists; indeed, the first principle of excellency in a paper currency is, that whatever its amount may be, it should ever be fixed; and, in justice to this axiom, it must always, at the same time, be put into active employment. The proper means of bringing it into circulation is by discounting commercial bills at as low a rate of discount as possible, never above 4 or 5 per cent.

Fifty in the amount of the currency, that annihilator of panics, can never be preserved under the existing system of gold-worship; for the demand for gold arises

from so many causes that our issues must ever be as fickle as the wind.

Many people erroneously think that the cause of panics is the want of a sufficient amount of money to carry on the immensely increased business of the country, and desire an extension of issues. The recent Liverpool and Glasgow meetings entertained this idea, when they suggested an unlimited issue of notes by any banker who could give 3 per cent. Consols as security for their due payment. Now, such issues, if the obligation to pay THE NOTES IN GOLD REMAINED, would not in any way tend to remedy our difficulties; for gold, being a limited reality, cannot be extended in proportion to the requirements of unlimited issues, and whether (on the principle of convertibility) notes be issued by the Bank of England or by private bankers, no difference would exist in regard to the avoidance of the evil complained of, since immediately on a foreign or an external demand for gold, these private banks would necessarily contract their issues, by raising the rate of discount precisely in the manner practised hitherto by the Bank of England. The results would therefore be identical and the alteration futile. Moreover, this change would create the inconvenience of two sorts of issues, so desirable to be avoided.

If, however, such issues were not convertible into gold, their unrestricted amount would occasion evils too horrid to contemplate; prices of all things would increase in such proportions that private individuals could not afford to buy them, and foreigners would no longer be purchasers of our goods—in short, it would inevitably be the ruin of our commerce!

So much for unlimited issues. The argument, however, put forth, that the increased business of the country requires more money in conducting it, is worthy of attention, as nearly the same amount of Bank notes is now employed as in 1844, while the commerce of the country has been quadrupled.

To admit that the amount of currency now is nomi-

nally the same as in 1844 will not be sufficient to allow such argument to be valid, for we must take all the circumstances into consideration by which the use of the currency has been economised. This economy is to be found in the important alterations in the Clearing House, by which bankers, formerly using millions of notes daily, now balance their accounts with the Bank of England by cheques without a single Bank note passing.

It is also to be found in the important fact that, while in 1844 there was one person keeping a banking account, there are now at least 500, and especially that all the wholesale portion of our immense commerce is paid for in bills, and in the retail trade by far the largest part is settled by cheques.

So that, although nominally there is nearly the same amount of Bank notes, there are now in all probability more notes actually circulating than at the period alluded to. The apparent weight of the said argument will be destroyed on the proper consideration of the terms, *Currency* and *Circulating Medium*, the former restricted, the latter necessarily unlimited in amount.

By currency is meant Bank notes of legal tender; the circulating medium is everything representing money, bills, cheques, bank notes, gold, silver, and copper; all these are decidedly more in amount than in 1844, and proportionately increased with the increased business. The only thing that can alleviate the difficulty is to *abolish convertibility into gold*, supplying in its stead the *national guarantee*, and to RESTRICT THE AMOUNT OF CURRENCY TO A PROPER LIMIT, using it by emissions in the shape of discount at 4 or 5 per cent. as long as the notes lasted, and immediately on the maturity of the bills thus discounted to renew the operation—ever keeping the *whole currency in active circulation*. It by no means follows that there would be a suspension of payments in gold; on the contrary, the Bank of England might justly claim the right of insisting on

payments in gold at 77s. 10½d. per ounce, in order to recover the compulsory purchasing price of 77s. 9d.

The fact of gold thus being no longer essentially required in this country would cause that commodity to fall in price; the Mint ought therefore to be busied in coining the Bank gold as fast as possible, for paying it away in the manner alluded to would be the *only means of avoiding a great loss to the Bank of England*, to which it ought not be subjected.

The facility of payment in gold would then be apparent to everyone, and the obligation to receive it would be a nuisance for some time; it would, however, be the most palpable means of curing the gold rabies which has uselessly predominated for the last twenty-five years.

A large increase of bank notes is not wanted; by using all the reserve, an immense advantage would be acquired; to obtain this the restrictive quality of *convertibility must be superseded, gold must be sold at its market value* like any other commodity.

The security of the note would be perfect; no more doubt would in that case be cast upon the bank note than at present, when one-half is secured by the Government.

The sight of gold paid for a portion of notes, which could not be paid if all the notes were presented, would no longer practise its illusion on the public mind; *the golden image would be overthrown!*

And all this might be easily done without interference with the mediation of the Bank of England, which, by the admirable administration of its business, has created a large claim upon the national gratitude.

I am, Sir, yours obediently,  
JERUBBAAL.

## LETTER XVII.

## DEFICIT IN THE SAVINGS BANKS.

May 19, 1866.

Sir,—The Chancellor of the Exchequer, in his excellent proposition for the reduction of the National Debt, alludes to the sum of three millions as necessary to square the account of the Trustees of the Savings Banks. If such be the case, we really must congratulate ourselves on the immense improvement in the management of these banks since the 20th of November, 1859, when, according to the official report, the public was informed that the assets in funds on hand at the prices of 94½ and 95 produced only . . . £37,634,065 13 5 which, however, taken at the present value — viz., 38,775,000*l.* Three per Cents., at 87, or 33,744,250*l.*, and Exchequer Bills and cash as in the report, 866,990*l.* 13*s.* 5*d.*—give only .

The deposits there were stated as	41,180,832 10 1
By the first valuation of . . .	37,634,065 13 5

The acknowledged deficit was given at . . . . .	3,546,766 16 8
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By the present valuation, viz., 41,180,832*l.* 10*s.* 1*d.*, less 34,601,240*l.* 13*s.* 5*d.*, this deficit would be augmented to 6,579,591*l.* 16*s.* 8*d.*, to settle which 3,000,000*l.* only are required; so that, in seven years, from 1859

to 1866, the nation must have gained in the working of these banks 3,579,591*l.* 16*s.* 8*d.*; being an average of profit of about half a million per annum, or 1¼ per cent. on the amount of the deposits. So far, therefore, as recent operations are concerned, this may be deemed highly satisfactory.

Such settlement, however, of the present position of the account between the trustees and depositors refers only to the amount which the latter may claim from the Government; concerning the deficiencies in former years, adverted to frequently in my letters in your columns, the public has yet to be enlightened: on this head, obscurity and oblivion seem likely to prevail.

It must be remembered that there is no difference whether money withdrawn from the funds of the Savings Banks be taken from profits which, when gained, become increased capital, or from actual deposits due to the public; both equally require to be accounted for, and on this principle the 454,801*l.* 1*s.* 8*d.* (*vide* Return, p. 7, 1830), the balance in 1829, in excess of deposits, ought to be forthcoming quite as much as the very last amount deposited by the public, and should be added to the 41,180,832*l.* 10*s.* 1*d.*; whereby the liability of the Government would be 41,632,633*l.* 11*s.* 7*d.*, although such addition would not be claimed by depositors. And if to this sum be added any further profit acquired in the thirty-six years, from 1829 to 1866, of which the public is in ignorance, the amount would be swollen so as not only to justify the figures in regard to the probable amount of the deficit in my former Letters, but considerably to augment them.

As the responsibility of the Government in regard to the Savings Banks now appears to be openly acknowledged, all their funds are virtually amalgamated with those of the country in general; the same care, therefore, in their application must be exercised in both. Had Members of Parliament in former years been more rigid in their examination of the accounts of these banks, and of Treasury Minutes, my Letters in your journal on the Savings Banks deficit, and on the redemption of the Grafton Pension, would never have been before the public.

When a ministry has in any department of state an uncontrolled power in the use of public money, all discussion in Parliament on budgets about general expenses becomes futile. It is indeed worse than futile, for it presents a fictitious appearance of security to the public where it does not exist. The chief entrance to the national treasury is apparently well secured, while the side doors are left open, leaving the interests of the country in jeopardy. If this be not altered, ship-money, or any other similar unparliamentary mode of exacting revenue, may as well be re-established.

BRUTUS BRITANNICUS.

# LETTER XVIII.

## ADDRESS TO EVERY CONSTITUENT OF THE BRITISH PARLIAMENT.

### ABSORPTION OF THE SAVINGS BANKS DEFICIT.

*"Invitat culpam qui delictum præterit."*

PUB. SYN.

FELLOW CONSTITUENTS,—An unconstitutional offence alluded to and apprehended in the foregoing Letters, seems likely to be quietly perpetrated. He who knows of it and neglects to exert himself for its prevention will become a participator in the same. It is therefore incumbent on every one to be cautious, lest inadvertently he may involve himself in guilt.

In the Terminable Annuities Bill now before the House, an almost unobserved process is in operation, whereby a flagrant infraction of the Constitution will in all probability be committed.

This is discernible in the application of three millions of the produce of the forthcoming Terminable Annuities to the "squaring the account between the Trustees of the Savings Banks and the depositors."

Let it be well understood that the intention of the

Bill, the reduction of the debt by terminable annuities, in spite of certain envious cavillings against it, is on the whole praiseworthy and ingenious; the complaint is, that the most disgraceful deficit in the Savings Banks Funds by this Bill is likely to pass into oblivion without any notice of the unconstitutional acts by which it has been created.

On the introduction of the measure the Chancellor of the Exchequer alluded, as it were, parenthetically, to the deficit of three millions; and on the second reading he explained many points which, as he said, he had not fully made known; he did not, however, again touch upon the deficit about to be absorbed. The House even seemed also to have disregarded this important subject, for no allusion was made to it in the debate. Should the Bill pass its third reading in like manner, what a slur will thus weigh upon the whole of the representatives of the British people—that people who brought their monarch to the scaffold for the same thing, in persisting to obtain money without the sanction of Parliament!

The public must well understand that these three millions are the amount required to square the account between the Trustees of the Savings Banks and the Depositors; they are only a portion, *not the total of the deficit* in the Savings Banks Funds, such being impossible to be accurately estimated by the present information before the public; it may, however, approximately be assumed, which is sufficient for the present purpose, to be about *eight and one quarter millions*, based upon the following:

By profit.	Average amount of deposits.	
From 1817 to 1829, 13 years, on 9 millions, at about $\frac{3}{4}$ per cent. . . . .		£454,801
(Vide Return, p. 7, 1830.)		
„ 1830 to 1839, 10 years, on 17 mil- lions, at about $\frac{3}{4}$ per cent. . . . .		1,275,000
„ 1840 to 1859, 20 „ 29 „ at about 1 per cent. . . . .		5,800,000
„ 1859 to 1866, 6 „ 41 „ at about $1\frac{1}{4}$ per cent. . . . .		3,579,591
(Alluded to in Letter XVII.)		

Total of estimated profit . £11,109,392

On the other hand, what have been the losses?

By the statement in the Appendix of the Report, 1857, p. 329, we find the whole of the losses from purchases and sales of stocks detailed each year (not added together)—

From 1817 to 1859, to be. . . . .	£558,705
And of the profits for the same time . . .	379,790

Loss . . . £178,915

To this may be added 6-17 per cent. loss on 38,775,000*l.* stock, the average cost of which (by Return in Appendix, p. 329) is 93*l.* 17*s.* 6*d.*, the valuation in June, 1866, when the Terminable Annuities Bill was introduced, being 87, or . . . . . £2,656,087

Total loss . . £2,835,002

Deducting this from the above 11,109,392*l.*, will leave

8,274,390*l.* which is wanting, and ought to be accounted for, as much as the deposits from the public.

The high rate of interest said to have been paid to the depositors is also assumed as a cause of the deficit. This is erroneous, for from 1817 to 1829, when the high rate of 4*l.* 11*s.* 3*d.* was paid, there was a recognised profit on the account as above stated. Subsequently the interest was reduced, from 1828 to 1844, to 3*l.* 16*s.* per cent., and from 1844 to 3½ per cent., which precludes any enormous loss in the high rate of interest.

It is quite clear that the main portion of this immense deficit arises from the withdrawal of money by former Administrations without the authority of Parliament. How such has been expended there is nothing to show, for even the amount thus withdrawn is not openly stated. It may have been spent by George IV. in his extravagant proceedings, by Ministers pandering to that monarch's profligacy, or perhaps by accounts repudiated by Parliament, by this means illegally liquidated, or even by portions lost *in transitu*, between the Savings Banks and Treasury Departments. All is void of satisfactory information.

If, in interrogatories (4161 and 4162, Report, 1857), we find that Stock transactions to the extent of 86,000,000*l.* from the beginning were carried on without any annual returns to Parliament, and that Mr. Goulburn, the Chancellor of the Exchequer, knew nothing about them, and accordingly moved for returns, it may not be unreasonable for the public to be a little anxious about transactions ranging over so many years, and to such an enormous extent.

The subject, as far as regards the past, is important, for a principle has been violated; it is, however, for the future that we have most to care.

Every constituent should make it a duty to draw the attention of his representative to the matter, who should obtain from the Chancellor of the Exchequer information as to what guarantee the nation has that there will be no recurrence of such reprehensible proceedings.

Remember, the Bill is in Committee; it may pass the third reading, and all chance of elucidating the subject will be lost for ever.

BRUTUS BRITANNICUS.

June 16, 1866.

P.S.—Since the above was written, a grave event has taken place in the fall of the Russell-Gladstone Administration, which may prevent the Terminable Annuities Bill from passing. The matter will thus probably be suspended for a time: it is, however, the duty of the nation not to let it be forgotten, or we may hereafter have to deplore the recurrence of a similar evil.

THE END.

LONDON:  
PRINTED BY C. WHITING BEAUFORT HOUSE, STRAND.



MSH 29538

**END OF  
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